

## **FISCAL NOTE**

### **HB 203 - SB 453**

February 26, 2001

**SUMMARY OF BILL:** Amends current law regarding long-term care services by requiring certain services to be included in any long-term care program. Also creates a requirement that any Medicaid waiver for long-term care services that contains a per person expenditure limit must spend no less than seventy-five percent of the average cost of nursing home care.

#### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Minimal if the expanded required level of services is provided within the proposed budget by reducing the number of enrollees. The bill does not require a specified enrollee level; however, providing the required range of services in the bill to the current 3,750 enrollees would increase state expenditures by an estimated \$7,700,000 and federal expenditures by an estimated \$13,600,000.**

The current base budget for the Home and Community Based Waiver is \$30,234,300 to serve 3,750 persons. The governor's recommended budget for fiscal year 2002 increases the total to \$41,246,800 to serve an estimated 4,950. This bill does not require an increase in the budgeted amount but could reduce the number of persons that would be served by expanding the range of services included in the waiver and thereby increasing the average cost per person. According to the TennCare Bureau, the current waiver does not include a per person expenditure cap.

The TennCare Bureau estimates that providing the greater range of services could increase average costs to \$16,700 per person which would reduce the targeted population from 3,750 to approximately 1,800. To serve 3,750 would increase program costs by \$21,410,700 of which \$7,767,100 would be state funds.

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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